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中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02601)

2018 Third Quarter Report

This announcement is made by China Pacific Insurance (Group) Co., Ltd. (the "Company") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial data of the Company for the third quarter of 2018 are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

§1 Important Information

1.1 The Board of Directors, the Board of Supervisors, the directors, the supervisors and the senior management of the Company warrant that the contents of this quarterly report are true, accurate and complete and that there is no false representation, misleading statement or material omission in this quarterly report; and they severally and jointly accept responsibility for the contents of this quarterly report.

1.2 The 2018 Third Quarter Report of the Company was considered and approved at the 13th session of the 8th Board of Directors of the Company on 26 October 2018, which 12 directors were required to attend and 8 of them attended in person. Due to other business engagements, directors KONG Qingwei and KONG Xiangqing did not attend the board meeting and appointed in writing director HE Qing to attend the meeting and vote on their behalf, respectively; directors LEE Ka Sze, Carmelo and GAO Shanwen did not attend the board meeting and appointed in writing directors LAM Chi Kuen and BAI Wei to attend the meeting and vote on their behalf, respectively.

1.3 The financial data contained in the 2018 Third Quarter Report of the Company are unaudited and have been prepared in accordance with the PRC Accounting Standards for Business Enterprises.

1.4 Mr. KONG Qingwei (person in charge of the Company), Ms. PAN Yanhong (the Financial Officer), Mr. ZHANG Yuanhan (Chief Actuary) and Ms. XU Zhen (Head of the Finance Department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

§2 Basic Information of the Company

2.1 Key Accounting Data and Financial Indicators

Unit: RMB million

	30 September 2018	31 December 2017	Change (%)
Total assets	1,290,212	1,171,224	10.2
Equity ^{note 1}	142,996	137,498	4.0
Net assets per share (RMB) ^{note 1}	15.78	15.17	4.0
	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017	Compare with the same period of the previous year (%)
Net cash inflow from operating activities	73,543	65,227	12.7
Net cash inflow per share from operating activities (RMB)	8.12	7.20	12.7
	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017	Compared with the same period of the previous year (%)
Operating income ^{note 2}	289,815	259,123	11.8
Net profit ^{note 1}	12,715	10,926	16.4
Basic earnings per share (RMB) ^{note 1}	1.40	1.21	16.4
Diluted earnings per share (RMB) ^{note 1}	1.40	1.21	16.4
Net profit after deducting non-recurring items ^{note 1}	12,677	10,794	17.4
Basic earnings per share after deducting non-recurring items (RMB) ^{note 1}	1.40	1.19	17.4
Weighted average return on equity (%) ^{note 1}	9.0	8.1	+0.9pt
Weighted average return on equity after deducting non-recurring items (%) ^{note 1}	9.0	8.0	+1.0pt

Notes:

1. Attributable to equity holders of the parent.
2. According to 《Notice on Revising and Issuing the Format of Financial Statements of General Enterprises of 2018》 (Cai Kuai [2018] No.15) and 《Interpretations on issues relating to the Format of Financial Statements of General Enterprises》, the financial figure for the nine months ended 30 September 2017 has been restated.

2.2 Non-recurring items

Unit: RMB million

Non-recurring items	For the three months from 1 July to 30 September 2018	For the nine months ended 30 September 2018
Income on disposal of non-current assets	2	7
Government grants included in profit or loss	25	67
Net non-operating income and expenses other than those mentioned above	(24)	(23)
Effect of income tax	(2)	(13)
Effect of non-controlling interests (after tax)	-	-
Total	1	38

2.3 Total number of shareholders, shares held by top ten shareholders and shares held by top ten shareholders without selling restrictions at the end of the reporting period

As at the end of the reporting period, the Company had no shares with selling restrictions.

Unit: share

Total number of shareholders as at the end of the reporting period: 81,100 (including 76,382 holders of A shares and 4,718 holders of H shares)						
Shares held by top ten shareholders						
Name of shareholders	Total number of shares held	Percentage of the shareholding	Increase or decrease (+ or -) of shareholding during the reporting period	Number of shares held with selling restriction	Number of shares subject to pledge or lock-up period	Type of shares
HKSCC Nominees Limited	2,772,688,835	30.60%	-35,800	-	-	H Share
Fortune Investment Co., Ltd.	1,284,277,846	14.17%	-	-	-	A Share
Shenergy (Group) Co., Ltd.	1,226,982,234	13.54%	+1,900,200	-	-	A Share
Shanghai State-Owned Assets Operation Co., Ltd.	485,042,146	5.35%	+42,621,204	-	-	A Share
Shanghai Haiyan Investment Management Company Limited	468,828,104	5.17%	-	-	-	A Share
China Securities Finance Co., Ltd.	270,954,665	2.99%	-62,699,536	-	-	A Share
Shanghai Jiushi (Group) Co., Ltd.	250,949,460	2.77%	-	-	-	A Share
Central Huijin Investment Ltd.	110,741,200	1.22%	-	-	-	A Share
Yunnan Hehe (Group) Co., Ltd.	92,500,787	1.02%	-40,112,245	-	-	A Share
China Baowu Steel Group Corporation	68,818,407	0.76%	-	-	-	A Share
Description of connected relations or concerted actions among the aforesaid shareholders	Fortune Investment Co., Ltd. and China Baowu Steel Group Corporation are connected, as the former is a wholly-owned subsidiary of the latter. The Company is not aware of any other connected relations or concerted actions among the above-mentioned shareholders.					

Notes:

- As at the end of the reporting period, the Company did not issue any preferred shares.
- The shareholding of the top ten shareholders is based on the lists of registered shareholders provided by China Securities Depository and Clearing Corporation Limited Shanghai Branch (A share) and Computershare Hong Kong Investor Services Limited (H share) respectively.
- The shares held by HKSCC Nominees Limited are held on behalf of its clients. As SEHK does not require such shareholders to disclose to HKSCC Nominees Limited whether the shares held by them are subject to pledge or lock-up period, HKSCC Nominees Limited is unable to calculate, or make available such data. Pursuant to Part XV of the SFO, a Substantial Shareholder is required to give notice to SEHK and the Company on the occurrence of certain events including a change in the nature of its interest in shares such as the pledging of its shares. As at the end of the reporting period, the Company is not aware of any such notices from Substantial Shareholders under Part XV of the SFO.
- Shanghai State-owned Assets Operation Co., Ltd. (SSOAOC), a shareholder of the Company, completed the issuance of exchangeable bonds which were exchangeable into a portion of the Company's A shares on 10 December 2015. The 112,000,000 of the Company's A shares owned and to be exchanged by SSOAOC and their dividends are held by China International Capital Corporation Limited (CICC) as guarantee and trust assets, and have been registered as a "Special Account for EB Guarantee and Trust Assets of SSOAOC and CICC". For details please refer to the Company's Announcement in relation to the Completion of the Issuance of Exchangeable Bonds by a Shareholder of the Company and the Guarantee and Trust Registration for the part of the Company's A shares held by the Shareholder published on 15 December 2015.

§3 Business Review for the Reporting Period

For the reporting period, the Company realized gross written premiums (GWPs) of RMB266.310 billion, representing an increase of 14.0% as compared to the same period of last year. GWPs from CPIC Life amounted to RMB176.996 billion, representing an increase of 14.2% as compared to the same period of last year. GWPs from CPIC P/C^{note 1} amounted to RMB88.983 billion, representing an increase of 13.5% as compared to the same period of last year. The Group realized net profits^{note 2} of RMB12.715 billion, up 16.4%.

Notes:

1. The data of CPIC P/C in this report refer to the consolidated data of CPIC P/C and its subsidiary, Anxin Agricultural Insurance Co., Ltd.

2. Attributable to equity holders of the parent.

CPIC Life

For the reporting period, GWPs from CPIC Life amounted to RMB176.996 billion, representing an increase of 14.2% as compared to the same period of last year. In particular, GWPs from the agency channel of individual customers contributed RMB159.912 billion, representing an increase of 17.2% as compared to the same period of last year, among which, GWPs from new policies amounted to RMB39.591 billion, representing a decrease of 15.4% as compared to the same period of last year.

	Unit: RMB million		
For the 9 months ended 30 September	2018	2017	Changes (%)
Individual customers	170,762	150,001	13.8
Agency channel	159,912	136,393	17.2
New policies	39,591	46,790	(15.4)
Regular premium business	36,404	44,860	(18.8)
Renewed policies	120,321	89,603	34.3
Other channels	10,850	13,608	(20.3)
Group clients	6,234	4,990	24.9
Total GWPs	176,996	154,991	14.2

CPIC P/C

For the reporting period, GWPs from CPIC P/C amounted to RMB88.983 billion, representing an increase of 13.5% as compared to the same period of last year. In particular, GWPs from automobile insurance amounted to RMB64.041 billion, representing an increase of 8.0% as compared to the same period of last year, while GWPs from non-automobile insurance amounted to RMB24.942 billion, representing an increase of 30.8% as compared to the same period of last year.

	Unit: RMB million		
For the 9 months ended 30 September	2018	2017	Changes (%)
GWPs	88,983	78,372	13.5

Auto insurance	64,041	59,307	8.0
Non-auto insurance	24,942	19,065	30.8

Asset management business

As at the end of the reporting period, Group investment assets amounted to RMB1,183.688 billion, representing an increase of 9.5% as compared to the end of the previous year. Asset allocation was largely stable based on profiles of liabilities. The share of fixed income investments stood at 83.7%, up by 1.9pt from the end of the previous year; and the share of equity investments stood at 13.3%, down by 1.3pt, of which, the share of equity securities and equity funds was 6.4%, down by 1.0pt from the end of the previous year. During the 9 months ended 30 September 2018, Group annualized net and total investment yields^{note 1} were 4.8% and 4.7%, respectively. Annualized growth rate of investments' net asset value^{notes 1, 2} was 4.8%.

Notes:

1. The impact of securities sold under agreements to repurchase was considered in the calculation of net investment yield. Average investment assets as the denominator in the calculation of net/total investment yield and growth rate of investments' net asset value are computed based on the Modified Dietz method.

2. Growth rate of investments' net asset value = total investment yield + net of fair value changes of AFS booked as other comprehensive income/(loss) / average investment assets.

Portfolio of Group investment assets

	30 September 2018	Share (%)	Share changes from the end of 2017 (pt)	Unit: RMB million Amount changes from the end of 2017 (%)
Group investment assets (Total)	1,183,688	100.0	-	9.5
By investment category				
Fixed income investments	990,490	83.7	1.9	11.9
– Debt securities	551,211	46.6	(1.6)	5.8
– Term deposits	124,563	10.5	0.9	19.8
– Debt investment plans	128,577	10.9	2.3	38.5
– Wealth management products ^{note 1}	100,118	8.5	0.2	11.7
– Preferred shares	32,000	2.7	(0.2)	-
– Other fixed income investments ^{note 2}	54,021	4.5	0.3	19.5
Equity investments	156,880	13.3	(1.3)	(0.5)
– Equity funds	21,507	1.8	(0.1)	2.8
– Bond funds	14,944	1.3	(0.2)	(7.2)
– Equity securities	54,267	4.6	(0.9)	(8.0)
– Wealth management products ^{note 1}	13,158	1.1	(0.8)	(36.1)
– Preferred shares	7,855	0.7	-	1.2
– Other equity investments ^{note 3}	45,149	3.8	0.7	35.1
Investment properties	8,516	0.7	(0.1)	(2.4)
Cash, cash equivalents and others	27,802	2.3	(0.5)	(7.5)
By investment purpose				
Financial assets at fair value through profit or loss	15,727	1.3	(0.2)	(2.8)

Available-for-sale financial assets	401,453	33.9	(0.2)	8.8
Held-to-maturity financial assets	282,011	23.8	(2.8)	(1.9)
Long-term equity investments	9,207	0.8	0.3	74.7
Loans and other investments ^{note 4}	475,290	40.2	2.9	17.8

Notes:

1. Wealth management products mainly include wealth management products issued by commercial banks, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.
2. Other fixed income investments include restricted statutory deposits and policy loans, etc.
3. Other equity investments include unlisted equities, etc.
4. Loan and other investments include term deposits, cash and short-term time deposits, securities purchased under agreements to resell, policy loans, restricted statutory deposits, investments classified as loans and receivables, and investment properties, etc.

§4 Significant Events

4.1 Significant changes of key financial statements items and financial indicators of the Company and reasons for such changes:

Applicable Not applicable

Unit: RMB million

Balance sheet items	30 September 2018	31 December 2017	Change (%)	Main reasons for the changes
Premium receivables	19,466	8,492	129.2	Growth in insurance business and timing difference
Reinsurers' share of life insurance reserves	1,777	1,360	30.7	Growth in reinsurance business
Long-term equity investments	9,207	5,271	74.7	Increase in equity investments
Intangible assets	2,168	1,545	40.3	Acquisition of a subsidiary
Goodwill	1,357	962	41.1	Acquisition of a subsidiary
Deferred income tax assets	2,691	1,742	54.5	Decrease in fair value for investment assets
Premium received in advance	6,943	21,156	(67.2)	Timing difference
Commissions and brokerages payable	5,674	3,888	45.9	Growth in insurance business and timing difference
Premium reserves	528	385	37.1	Growth in insurance business
Bonds payable	13,979	3,999	249.6	Issuance of capital replenishment bond

Income statement items	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017	Change (%)	Main reasons for the changes
Premium ceded	1,483	2,248	(34.0)	Change in insurance business
Net change in unearned premium reserves	(4,386)	(3,012)	45.6	Growth in insurance business
Fair value change (losses) /gains	(1,827)	1,284	(242.3)	Change in market value for financial assets at fair value through profit or loss
Reinsurers' share of reserves recovery	583	1,397	(58.3)	Increase of reinsurers' share of claim recovery
Other operating expenses	(2,947)	(5,139)	(42.7)	Decrease in interest expenses of policyholders' investments
Income tax	(7,621)	(4,700)	62.1	Increase in taxable income
Other comprehensive income/(loss)	5	(598)	(100.8)	Change in fair value for available-for-sale financial assets

4.2 Progress of significant events and their impacts and solutions

Applicable Not applicable

4.3 Disclosable unfulfilled undertakings during the reporting period

Applicable Not applicable

4.4 Cautionary statements for the forecast loss in accumulated net profit from the beginning of the year to the end of the next reporting period or the occurrence of substantial change as compared to the same period of last year and their reasons

Applicable Not applicable

4.5 Solvency

Please refer to the summaries of quarterly solvency reports published on the websites of Shanghai Stock Exchange (www.sse.com.cn), SEHK (www.hkexnews.hk) and the Company (www.cpic.com.cn) for information about the solvency of CPIC Life, CPIC P/C, Anxin Agricultural Insurance Co., Ltd. and CPIC Allianz Health Insurance Co., Ltd.

Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“the Company” or “the Group”	China Pacific Insurance (Group) Co., Ltd.
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a subsidiary of China Pacific Insurance (Group) Co., Ltd.
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Substantial Shareholder”	Has the meaning given to it under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being a person who has an interest in the relevant share capital of the Company, the nominal value of which is equal to or more than 5% of the nominal value of the relevant share capital of the Company
“RMB”	Renminbi
“pt”	Percentage point

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Shanghai, the PRC, 26 October 2018

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.

Note: The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.

§5 APPENDIX

5.1

CONSOLIDATED BALANCE SHEET

30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2018 (unaudited)	31 December 2017 (audited)
ASSETS		
Cash and short-term time deposits	12,373	11,660
Financial assets at fair value through profit or loss	15,727	16,187
Securities purchased under agreements to resell	12,860	17,126
Premium receivables	19,466	8,492
Due from reinsurers	5,787	7,841
Interest receivables	19,706	16,757
Reinsurers' share of unearned premium reserves	5,957	5,177
Reinsurers' share of claim reserves	6,378	6,719
Reinsurers' share of life insurance reserves	1,777	1,360
Reinsurers' share of long-term health insurance reserves	9,794	9,319
Policy loans	47,283	38,643
Term deposits	124,563	103,989
Available-for-sale financial assets	401,453	368,868
Held-to-maturity financial assets	282,011	287,497
Investments classified as loans and receivables	262,957	216,748
Long-term equity investments	9,207	5,271
Restricted statutory deposits	6,738	6,566
Investment properties	8,516	8,727
Fixed assets	13,482	12,986
Construction in progress	3,717	4,176
Intangible assets	2,168	1,545
Goodwill	1,357	962
Deferred income tax assets	2,691	1,742
Other assets	14,244	12,866
Total assets	1,290,212	1,171,224

CONSOLIDATED BALANCE SHEET (CONTINUED)

30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2018 (unaudited)	31 December 2017 (audited)
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	57,170	66,243
Premium received in advance	6,943	21,156
Commissions and brokerages payable	5,674	3,888
Payables to reinsurers	6,020	6,002
Salaries and welfare payable	4,062	4,703
Taxes payable	8,061	6,629
Interest payable	401	309
Claims payable	20,449	19,035
Policyholder dividends payable	25,384	24,422
Policyholders' deposits and investments	61,942	56,343
Unearned premium reserves	49,410	44,247
Claim reserves	41,074	39,429
Life insurance reserves	780,936	681,766
Long-term health insurance reserves	44,746	36,797
Premium reserves	528	385
Bonds payable	13,979	3,999
Deferred income tax liabilities	1,136	920
Other liabilities	14,946	13,832
Total liabilities	1,142,861	1,030,105
Issued capital	9,062	9,062
Capital reserves	66,610	66,613
Other comprehensive income/(loss)	1,524	1,505
Surplus reserves	4,835	4,835
General reserves	9,870	9,761
Retained profits	51,095	45,722
Equity attributable to equity holders of the parent	142,996	137,498
Non-controlling interests	4,355	3,621
Total equity	147,351	141,119
Total liabilities and equity	1,290,212	1,171,224

Kong Qingwei
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

BALANCE SHEET
30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	30 September 2018 (unaudited)	31 December 2017 (audited)
ASSETS		
Cash and short-term time deposits	166	121
Financial assets at fair value through profit or loss	54	62
Securities purchased under agreements to resell	110	60
Interest receivables	476	457
Term deposits	500	500
Available-for-sale financial assets	28,408	24,776
Held-to-maturity financial assets	800	900
Investments classified as loans and receivables	6,776	5,419
Long-term equity investments	64,279	63,039
Investment properties	3,445	3,553
Fixed assets	1,683	1,814
Construction in progress	69	1
Intangible assets	206	195
Deferred income tax assets	98	188
Other assets	457	1,013
Total assets	107,527	102,098
LIABILITIES AND EQUITY		
Securities sold under agreements to repurchase	1,270	140
Commissions and brokerages payable	1	1
Salaries and welfare payable	131	208
Taxes payable	85	61
Interest payable	1	-
Other liabilities	658	919
Total liabilities	2,146	1,329
Issued capital	9,062	9,062
Capital reserves	66,164	66,164
Other comprehensive income/(loss)	(105)	(388)
Surplus reserves	4,531	4,531
Retained profits	25,729	21,400
Total equity	105,381	100,769
Total liabilities and equity	107,527	102,098

Kong Qingwei
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

5.2

CONSOLIDATED INCOME STATEMENT
For the nine months ended 30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the three months from 1 July to 30 September 2018	For the nine months ended 30 September 2018	For the three months from 1 July to 30 September 2017	For the nine months ended 30 September 2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	85,121	289,815	81,562	259,123
Net premiums earned	71,003	248,111	66,804	218,360
Gross written premiums	73,677	266,310	69,787	233,572
Including: Premium ceded	194	1,483	1,710	2,248
Less: Premiums ceded to reinsurers	(4,413)	(13,813)	(3,744)	(12,200)
Net change in unearned premium reserves	1,739	(4,386)	761	(3,012)
Other income	13	50	6	19
Investment income	13,589	41,130	13,449	37,408
Including: investment income from associates and joint ventures	77	238	38	36
Fair value change (losses)/gains	(287)	(1,827)	517	1,284
Foreign exchange gains/(losses)	90	142	(31)	(102)
Other operating income	711	2,202	656	1,988
Gains on disposal of assets	2	7	161	166
II. Operating expenses	(78,186)	(269,174)	(75,317)	(243,273)
Surrenders	(2,875)	(10,356)	(2,432)	(7,989)
Claims paid	(28,392)	(78,147)	(22,560)	(70,845)
Less: Reinsurers' share of claim recovery	2,298	6,521	1,940	5,369
Change in insurance contract liabilities	(22,421)	(104,411)	(30,234)	(95,914)
Less: Reinsurers' share of reserves recovery	160	583	927	1,397
Net change in premium reserves	(35)	(142)	(35)	(104)
Policyholder dividends	(2,830)	(8,522)	(2,357)	(6,639)
Reinsurance expenses	(33)	(91)	19	(260)
Tax and surcharges	(212)	(648)	(228)	(712)
Commissions and brokerages	(12,798)	(45,256)	(9,717)	(37,943)
Operating and administrative expenses	(10,397)	(26,971)	(8,215)	(25,837)
Less: Reinsurers' share of commissions recovery	1,253	4,025	1,254	4,530
Interest expenses	(737)	(2,138)	(976)	(2,628)
Other operating expenses	(917)	(2,947)	(2,615)	(5,139)
Impairment losses	(250)	(674)	(88)	(559)
III. Operating profit	6,935	20,641	6,245	15,850
Add: Non-operating income	23	55	47	67
Less: Non-operating expenses	(35)	(61)	(38)	(65)
IV. Profit before tax	6,923	20,635	6,254	15,852
Less: Income tax	(2,358)	(7,621)	(1,747)	(4,700)
V. Net profit	4,565	13,014	4,507	11,152
Classified by continuity of operations:				
Net profit from continuing operations	4,565	13,014	4,507	11,152
Net profit from discontinued operations	-	-	-	-
Classified by ownership of the equity:				
Equity holders of the parent	4,461	12,715	4,417	10,926
Non-controlling interests	104	299	90	226
VI. Earnings per share				
Basic earnings per share (RMB per share)	0.49	1.40	0.49	1.21

Diluted earnings per share (RMB per share)	0.49	1.40	0.49	1.21
VII. Other comprehensive (loss)/income	(361)	5	(172)	(598)
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	(361)	5	(172)	(598)
Share of other comprehensive income/(loss) in equity accounted investees	-	-	3	9
Exchange differences on translation of foreign operations	23	27	(10)	(25)
Available-for-sale financial assets	(508)	(27)	(222)	(782)
Income tax relating to available-for-sale financial assets	124	5	57	200
VIII. Total comprehensive income	4,204	13,019	4,335	10,554
Attributable to equity holders of the parent	4,111	12,734	4,237	10,330
Attributable to non-controlling interests	93	285	98	224

Kong Qingwei
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

INCOME STATEMENT

For the nine months ended 30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the three months from 1 July to 30 September 2018	For the nine months ended 30 September 2018	For the three months from 1 July to 30 September 2017	For the nine months ended 30 September 2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
I. Operating income	538	12,926	691	17,507
Investment income	382	12,288	413	16,792
Fair value change gains/(losses)	2	(5)	1	2
Foreign exchange (losses)/gains	(111)	(111)	14	15
Other operating income	265	754	263	698
II. Operating expenses	(424)	(1,237)	(392)	(1,064)
Tax and surcharges	(22)	(64)	(22)	(66)
Operating and administrative expenses	(349)	(1,013)	(320)	(848)
Interest expenses	(10)	(45)	(10)	(39)
Other operating expenses	(35)	(105)	(40)	(110)
Impairment losses	(8)	(10)	-	(1)
III. Operating profit	114	11,689	299	16,443
Add: Non-operating income	-	-	1	3
Less: Non-operating expenses	(1)	(1)	-	-
IV. Profit before tax	113	11,688	300	16,446
Less: Income tax	(19)	(109)	(71)	(133)
V. Net profit	94	11,579	229	16,313
Classified by continuity of operations:				
Net profit from continuing operations	94	11,579	229	16,313
Net profit from discontinued operations	-	-	-	-
VI. Other comprehensive income/(loss)	133	283	(2)	(120)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	133	283	(2)	(120)
Available-for-sale financial assets	177	377	(3)	(160)
Income tax relating to available-for-sale financial assets	(44)	(94)	1	40
VII. Total comprehensive income	227	11,862	227	16,193

Kong Qingwei
Legal Representative
of the Company

Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

5.3

CONSOLIDATED CASH FLOW STATEMENT

For the nine months ended 30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended	For the nine months ended
	30 September 2018	30 September 2017
	(unaudited)	(unaudited)
I Cash flows from operating activities		
Premiums received from direct insurance contracts	245,300	213,015
Net increase in policyholders' deposits and investments	3,484	6,067
Tax refund	36	50
Cash received from other operating activities	2,875	863
Sub-total of cash inflows from operating activities	251,695	219,995
Claims paid for direct insurance contracts	(74,710)	(67,590)
Net cash paid for reinsurance business	(3,437)	(1,479)
Cash paid for commissions and brokerages	(42,800)	(37,020)
Cash paid for policyholder dividends	(5,308)	(3,696)
Cash paid to and for employees	(16,358)	(14,282)
Cash paid for taxes and surcharges	(11,629)	(8,128)
Cash paid for other operating activities	(23,910)	(22,573)
Sub-total of cash outflows from operating activities	(178,152)	(154,768)
Net cash inflow from operating activities	73,543	65,227
II Cash flows from investing activities		
Cash received from sales and redemption of investments	184,008	260,457
Cash received from returns on investments	38,455	40,903
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	34	328
Cash received from other investing activities	360	-
Sub-total of cash inflows from investing activities	222,857	301,688
Cash paid for acquisition of investments	(276,497)	(395,390)
Net increase in policy loans	(8,586)	(8,123)
Net cash paid for acquisition of a subsidiary and other business entities	(4,651)	(3,437)
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(1,766)	(2,265)
Sub-total of cash outflows from investing activities	(291,500)	(409,215)
Net cash outflow from investing activities	(68,643)	(107,527)
III Cash flows from financing activities		
Cash received from capital contribution	-	508
Cash received from issuance of bonds	9,980	-
Cash received from other financing activities	929	50,217
Sub-total of cash inflows from financing activities	10,909	50,725
Cash paid for repayment of borrowed funds	(1,000)	(7,502)
Cash paid for distribution of dividends and interest	(9,088)	(9,026)
Cash paid for other financing activities	(9,332)	-
Sub-total of cash outflows from financing activities	(19,420)	(16,528)
Net cash (outflow) /inflow from financing activities	(8,511)	34,197
IV Effect of changes in foreign exchange rate on cash and cash equivalents	58	(74)
V Net decrease in cash and cash equivalents	(3,553)	(8,177)
Add: Cash and cash equivalents at beginning of period	28,786	36,395
VI Cash and cash equivalents at end of period	25,233	28,218

Kong Qingwei
Legal Representative
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Pan Yanhong
Person in charge of
Accounting Affairs

Xu Zhen
Head of Finance
Department

CASH FLOW STATEMENT

For the nine months ended 30 September 2018

Prepared by: CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

in RMB million

ITEM	For the nine months ended 30 September 2018 (unaudited)	For the nine months ended 30 September 2017 (unaudited)
I Cash flows from operating activities		
Cash received from other operating activities	857	765
Sub-total of cash inflows from operating activities	857	765
Cash paid to and for employees	(577)	(492)
Cash paid for taxes and surcharges	(195)	(128)
Cash paid for other operating activities	(624)	(444)
Sub-total of cash outflows from operating activities	(1,396)	(1,064)
Net cash outflow from operating activities	(539)	(299)
II Cash flows from investing activities		
Cash received from sales and redemption of investments	10,571	16,054
Cash received from returns on investment	12,390	16,693
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	9	-
Sub-total of cash inflows from investing activities	22,970	32,747
Cash paid for acquisition of investments	(15,194)	(27,513)
Net cash paid for acquisition of a subsidiary and other business entities	(701)	-
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(277)	(92)
Sub-total of cash outflows from investing activities	(16,172)	(27,605)
Net cash inflow from investing activities	6,798	5,142
III Cash flows from financing activities		
Cash received from other financing activities	1,130	1,210
Sub-total of cash inflows from financing activities	1,130	1,210
Cash paid for distribution of dividends and interest	(7,294)	(6,383)
Sub-total of cash outflows from financing activities	(7,294)	(6,383)
Net cash outflow from financing activities	(6,164)	(5,173)
IV Effect of changes in foreign exchange rate on cash and cash equivalents	-	-
V Net increase/(decrease) in cash and cash equivalents	95	(330)
Add: Cash and cash equivalents at beginning of period	181	839
VI Cash and cash equivalents at end of period	276	509

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